

CABINET

13 JULY 2021

SCHOOL ORGANISATION PROPOSALS 2021

Portfolio Holder: Councillor Mrs Josie Iles, Portfolio Holder for Children's Services
(Lead Member)
Councillor Martin Potter, Portfolio Holder for Education and Schools

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Summary

This report identifies a number of projects at schools to provide necessary additional capacity to ensure that the supply of good quality school places is maintained. Cabinet is requested to approve the projects and authorise that they be added to the Education capital programme.

1. Budget and Policy Framework

- 1.1. Medway Council has a statutory duty to provide sufficient school places. The School Place Planning Strategy describes the principles, methods, and challenges of this duty.
- 1.2. Annual reviews of the School Place Planning Strategy provide up to date information and proposals to make sure there continue to be sufficient good school places for the expected numbers of pupils.
- 1.3. These proposals, resulting from the annual review of the School Place Planning Strategy follow the School Place Planning Strategy Principles. They also support the Council Plan Priority of 'Supporting Medway's people to realise their potential', and the outcome of 'All children achieving their potential in schools'. The proposals, if approved, would be delivered through funding from the Education Capital Programme. Therefore, this is a matter for Cabinet.
- 1.4. Whilst it would be usual to include the proposals within this report within the annual review of the School Place Planning Strategy, which will be presented to Cabinet in October 2021, it would delay these projects by doing so and with demand for places at these schools increasing, the Council needs to advance the proposed projects to the earliest opportunity.
- 1.5. This report has been circulated separately to the main agenda. Therefore, the Cabinet is asked to accept this report as urgent to enable consideration of the matter at the earliest opportunity to enable the Council to meet its statutory obligations as soon as possible.

2. Background

2.1. In 2019 Cabinet decision number 121/2019:

The Cabinet agreed to authorise officers to undertake further feasibility studies and statutory consultations as necessary to ensure that plans are in place to meet demand as and where it emerges.

2.2. The Cabinet noted the limited funding position for providing school places and to support officers' efforts in acquiring additional funding or identifying alternative means of ensuring sufficient school places continue to be available. In particular in the short term:

- primary provision in Peninsula West through a 1FE expansion of Hundred of Hoo Academy
- selective secondary provision through expansion of current schools wherever possible, or through the establishment of an annexe of one of Medway's Grammar Schools

2.3. In 2020 Cabinet decision number 129/2020:

The Cabinet authorised officers to undertake further feasibility studies and statutory consultations as necessary to ensure that plans are in place to meet demand as and where it emerges.

3. Proposed projects and funding sources

3.1. The following projects will add additional places to meet forecasted demand:

3.2. **Hundred of Hoo 1 Form Entry (FE) primary expansion**

3.3. The Council, through the basic need grant, funded the building of the initial 1FE with 2FE core facilities primary school at The Hundred of Hoo Academy in 2016. It was always recognised and stated in the School Place Planning Strategy annual reviews, that the school would need to expand to 2FE to meet demand from new housing in the area, but sufficient funding was not available. Currently, demand outstrips supply of school places in the area. The addition of the second FE will provide sufficient places in the area for pupils wanting a place and moving into the area.

3.4. Detailed estimates indicate that £2,100,000 will be required to deliver the project.

3.5. As no basic need funding is available, the project will be reliant upon funding from section 106 agreements. There are currently receipts of applicable Section 106 agreements totalling £1,462,764, with the balance currently to be funded from borrowing in advance of anticipated section 106 contributions. Of this balance, £378,265 relates to future contributions where previous contributions have already been received (e.g. the development to which they relate is in progress) whereas £258,971 relates to those agreements made, but where no contributions have been received to date. The risk to the Council that contributions may not be made is considered higher where developments have yet to commence. These section 106 receipts relate to housing schemes local to Hoo and intended for use at the academy to help meet demand from the additional pupils moving into the area.

3.6. **Hundred of Hoo Academy secondary dining and sports changing facilities**

3.7. The academy has admitted 30 additional pupils in 2020 to help meet demand from local developments and will again admit additional 30 pupils in 2021. It is expected that with house building ongoing in the area demand will continue, and the school will continue to admit additional pupils each year. Forecasts indicate that the school will be oversubscribed year on year. The school currently has an official PAN of 270 (intake per year) which equates to 1350 pupils in years 7 to 11 plus 6th form, going forward this will increase to 300 per year (1500 in total plus 6th form). The current dining facilities are significantly too small and with the long-term increase in pupils expected an increase in dining facilities including expansion of the kitchen will enable the school to effectively and efficiently provide the social space required for the increasing numbers of pupils.

3.8. The dining facilities are estimated to require around £550,000 to complete and that level of funding from section 106 receipts is available.

3.9. Similarly, the schools changing facilities are undersized and with additional pupils admitted currently, and forecast to do so year on year, this element of the project will provide sufficient changing rooms. The changing facilities will also be able to be utilised by the public and community groups using the school's sports facilities. Estimates indicate that around £700,000 will be required. Currently £246,502 has been received and the remaining £453,498 relates to agreements where the local developments are already underway, however, it is proposed to commit to borrowing the remaining funding as required in advance of the contributions being received. Should they not be received, and other funding sources cannot be found, the cost of this borrowing would fall on the Council. However, this is considered to be a low risk with receipts expected relating to developments in progress.

3.10. **The Robert Napier School**

3.11. The refurbishment and creation of two science laboratories to enable the full science curriculum to be delivered. The school has admitted regular bulge classes to assist the Council in meeting demand, but this has placed pressure on the school and whilst additional classrooms have been created through the bulge class programme in 2019/20, it has emerged that the school has insufficient science facilities to ensure that the curriculum is delivered appropriately.

3.12. Feasibility studies have identified work at £320,000 to create the science laboratories as well as the removal of asbestos in these areas. A budget of £111,557 already forms part of the 2021/22 capital programme as part of the bulge class project.

3.13. The additional amount requested of 208,443, can be funded utilising developer contributions requested through section 106 agreements. Of these, £89,756 have already been received, whilst the balance of £118,687 relate to agreements whereby contributions have yet to be received.

3.14. Only the agreed funding will be used, and the project effectively managed to ensure that best value is achieved, and savings made wherever possible and practical.

3.15. Greenacre Boys School

3.16. Over recent years the school has admitted above its PAN of 160, generally taking in excess of 180 boys to help the local authority meet demand. Some bulge class work was undertaken in 2019/20 to assist with additional pupils admitted as a result of the delay to the Rainham Free School, but the school is now overcrowded and requires further classroom space to enable the curriculum to be met.

3.17. Feasibility studies have been undertaken to assess the need and just under £500,000 of work has been identified to address the shortfall in capacity.

3.18. £460,676 of developer contributions requested and identified for Greenacre and of these £85,149 are available to use immediately. The remaining balance can be funded from borrowing in advance of the receipts of section 106 contributions. This relates to those contributions due for which the development is in progress (£202,343) and those whereby no contributions have yet been received (£173,184). The risk to the Council that the expected contributions may not be received is higher for the latter than the former. Cabinet is requested to approve the progression of the project using the mixture of section 106 funding and borrowing in advance of receiving future section 106 contributions.

3.19. Only projects to the value of £460,676, will be undertaken and managed by the capital programme team to deliver the maximum capacity within the budget available.

3.20. St Nicholas Church of England (CE) Infant School expansion to primary

3.21. In 2020 the council undertook a consultation on the expansion of St Nicholas from an infant to a primary school. This was approved by the Office of the Schools Adjudicator on 30 March 2020. However, due to the diversion of funding to the urgent secondary bulge classes required as a result of the delay to the new free school in Rainham, together with delays caused by the Covid pandemic, the Council advised the schools adjudicator and a modification to the original decision was granted on 29 July 2020 to move the implementation date from September 2023 to September 2025 (the implementation date is the date when the first year 3 pupils remain at the school).

3.22. However, as this expansion will be required to complete by 2025 as per the adjudicator's decision, it is considered that reverting the timetable would be fairer on parents who had expected their children to remain at the school. Funding is not currently available to complete the expansion required therefore, to enable the expansion, future section 106 funding from local schemes at Strood Riverside, Civic Centre and others, will be the source of the funding.

3.23. It is therefore considered that advancing the change from infant to primary in line with the OSA's original decision would benefit the pupils and parents at the school, as well as align the school with the remaining schools in Strood which are all primary schools, therefore enabling the pupils at St Nicholas to enjoy the benefits of a through primary experience rather than disrupting education with a change to another school at year 3.

3.24. It is requested that funding be approved through an addition to the capital programme via a commitment to borrowing at current rates should the need

arise, in advance of the developer contributions which will pay back the loan at receipt.

- 3.25. The funding will not be required until financial year 2023/24 as the school has sufficient classroom space available until then. An additional 3 classrooms will be required together with some additional group rooms as well as age-appropriate toilet facilities. Any section 106 funding received during that time will reduce, or remove, the potential borrowing requirement.
- 3.26. Cabinet is requested to recommend that Council agrees in principle to the funding of the project at this stage so that the expansion can commence to time as arrangements will need to be made for the current pupils to remain at the school and the Council would need to give advance warning to parents of this.
- 3.27. It is expected that £1.2m will be required to complete the expansion to the premises at St Nicholas although precise figures will not be available until a tender process can be undertaken, which is the reason for seeking approval for the funding at this time.
- 3.28. In the unlikely event that developer contributions are not forthcoming, it is anticipated that the cost of servicing the borrowing would be in the region of £41,000 per annum over 60 years.
- 3.29. Should Council approve the advance funding of the St Nicholas expansion, a request will be made to the OSA for a redetermination of the modified decision to enable the change to a primary school to take place from 2023, meaning that the children currently attending in year R at St Nicholas would be able to remain at the school.

4. Risk management

- 4.1. There are no risks resulting directly from this report, however the following would be assessed as risks should recommendations from individual proposals flowing from this report not be implemented.

Risk	Description	Action to avoid or mitigate risk	Risk rating
The Council's statutory duty to provide sufficient good quality school places	If insufficient school places are made available to meet demand, the Council would be failing to meet its obligations.	Implement proposals to provide additional good quality places in the areas of demand.	C1
That insufficient funding is available to fund proposals to provide sufficient places	Basic need funding is limited and the extent of the emerging need may mean that unless additional funding can be sourced, projects to provide places may not be able to be implemented, which could mean that the Council fails to meet its statutory obligation.	Utilise section 106 funding and commit to advanced borrowing in the unlikely event that section 106 money is not available, to provide places together with exploring options to fund projects including bidding for funding initiatives. Look at cost effective ways to supply places.	A1
That the level of forecast pupils fails to materialise	Should the expected numbers of pupils fail to materialise, then any funding committed could have been better spent elsewhere.	Continue to monitor births, migration and housing developments and accuracy of forecasting.	D3
Applications for Free Schools increases	Applications for Free Schools could be a risk to strategic planning framework as the Council has no control over where or by whom the application is made.	Monitor all applications to Secretary of State, and work with DFE to influence outcomes of applications to suit, and fit in with, the Councils wider pupil place planning strategy.	A2
Other Local Authorities placing children in Medway	Other authorities are placing children into Medway schools, including unaccompanied asylum seekers, which adds pressure to the system and is difficult to plan for.	Retain a certain level of flexibility within the system to meet unexpected inward movement of children requiring a school place.	A3
Inward movement of families into new housing	As new housing schemes are completed and families move into the area, additional school places are required.	Retain a certain level of flexibility within the system to meet unexpected inward movement of children requiring a school place.	A3

5. Consultation

- 5.1. No consultation is required for this report but any specific proposals that are approved and progressed as a result of this report will include a consultation process as appropriate.
- 5.2. No Diversity Impact Assessment accompanies this report. Assessments will be provided for individual proposals brought forward as a result of actions from this report.

6. Climate change implications

- 6.1. No climate change implications arise directly from this report, however as all projects are progressed, designs and construction methods will consider such impacts.
- 6.2. By creating local provision for children and young people, it is expected that there would be a reduction in car journeys across Medway which will reduce any impacts upon air quality.
- 6.3. Pupils are encouraged by schools to walk or cycle to school and this becomes more achievable if the provision is local.

7. Financial implications

- 7.1. All projects approved and undertaken as a result of this report will be funded through the Children and Adults' Capital Programme. Funding implications for proposed projects will be included in subsequent procurement board reports requesting funding approval for each individual project.
- 7.2. Previously, the Council received an annual basic need grant to ensure that the sufficient school places were provided. Currently, and for at least two years into the future, Medway will not receive funding through this grant and therefore, unless additional funding options become available, the Council will need to fund the education capital programme utilising developer contributions agreed and received through Section 106 agreements, and other sources such as borrowing in advance of the receipt of section 106 contributions.
- 7.3. Section three of this report sets out the schemes from which developer contributions will be used to fund the projects at Hundred of Hoo Academy, The Robert Napier School, and Greenacre Boys, and these are contributions that have been received and are available or form part of agreements where funding is expected to be received.
- 7.4. It should be noted that where the Council is borrowing in advance of the receipt of expected Section 106 contributions, it should be aware of the risks that should the contributions not be received, then either alternative funding will need to be sought, or the cost of servicing that borrowing will fall to the Council.
- 7.5. For the St Nicholas project, no funding is currently available through section 106 agreements and therefore the Cabinet is requested to agree to fund the project through a commitment to borrowing in advance of future section 106 agreements from the Strood Riverside and Civic Centre schemes as well as other proposed and future local developments. As little funding is currently available for this project and would require a commitment to borrow funding should insufficient section 106 funding be available by 2023/24. The potential debt servicing costs have been reported above (para 3.31 refers). It is for Cabinet to recommend to Council the addition to the 20203/24 capital programme.

8. Legal implications

- 8.1. The Council has the power under sections 18 and 19 of the Education and Inspections Act 2006 to make "prescribed alterations" to a maintained school. The procedure for making prescribed alterations is set out in 'School

Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013.

- 8.2. From 24 January 2014 there is no longer a requirement for a 'pre-publication' (informal) consultation period for prescribed alterations, there is however a strong expectation on Local Authorities to consult interested parties to develop their proposals prior to formal publication as part of their duty under public law to act rationally and take into account all relevant considerations. Specific proposals brought forward from this report will go through this consultation processes.
- 8.3. Where an expansion is proposed at an academy it falls to the academy trust to carry out the appropriate statutory consultation. In these circumstances the Regional Schools Commissioner is the decision maker on the proposals. If these proposals are to meet basic need for school places, then responsibility for funding falls to the Council. All decisions on funding approval will follow the Council's procurement procedures.

9. Recommendations

- 9.1. The Cabinet is asked to approve the following projects as set out in section 3 of the report together with reference to section 7.3.
- 1) Hundred of Hoo Academy Primary expansion from 1FE to 2FE (see sections 3.2 to 3.5).
 - 2) Hundred of Hoo Academy Secondary expansion of dining and changing facilities (see sections 3.6 to 3.9).
 - 3) The Robert Napier School refurbishment and creation of two science laboratories (see sections 3.10 to 3.14).
 - 4) Greenacre Boys School addition of classroom space (see sections 3.15 to 3.19).
- 9.2. The Cabinet is asked to approve the project to expand St Nicholas CE Infant School as set out in sections 3.20 to 3.29 and section 7.5 and to recommend to full Council that this project is added to the 2023/24 capital programme.

10. Suggested reasons for decisions

- 10.1. By approving the projects, the Cabinet will be ensuring that the Council meets its statutory duty to ensure sufficient good quality school places and appropriate learning environments are available.

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Appendices

None

Background papers

School Place Planning Strategy

https://www.medway.gov.uk/downloads/download/453/school_place_planning_strategy_2018-2022